Manitoba

Annual Report 1985 - 86

Milk Prices Review Commission

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Manitoba

Annual Report 1985 - 86

Milk Prices Review Commission

MANITOBA MILK PRICES REVIEW COMMISSION
903 - 401 YORK AVENUE
WINNIPEG, MANITOBA
R3C 0P8

TELEPHONE 945-4935
AREA CODE 204

July 31, 1986

The Honourable B. Uruski
Minister of Agriculture
165 Legislative Building
Winnipeg, Manitoba
R3C 0V8

Dear Sir:

Pursuant to the requirements of Section 7, subsection (1), "The Milk Prices Review Act" being Chapter 63 of Bill 86 assented to July 29, 1980, we have the honour to transmit to you the Annual Report of The Manitoba Milk Prices Review Commission for the year ended March 31, 1986.

Respectfully submitted,

Paul Phillips (Dr.)
Chairperson

PP/rab

Manitoba

Minister of Agriculture

Room 165
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

July 31, 1986

Lieutenant Governor for the
Province of Manitoba

Your Honour:

I have the honour to present herewith the Annual Report of The Manitoba Milk Prices Review Commission for the year ended March 31, 1986.

Your obedient servant,

Bill Uruski
Minister of Agriculture

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MEMBERS OF THE

MANITOBA MILK PRICES REVIEW COMMISSION

as at March 31, 1986

Dr. Paul Phillips ..... Chairperson

Mr. Ray Matheson ..... Vice-Chairperson

Mr. Oli Narfason ..... Member

Ms. Marie-Blance Oliviero ..... Member

Mr. Fernand Paquin ..... Member

Mr. Adrian Strutinsky ..... Executive Secretary

INTRODUCTION

The Milk Prices Review Act assented to by the Legislative Assembly of Manitoba on July 29, 1980, governs the work and activities of the Commission. Responsibilities assigned to the Commission under the legislation include: the development and maintenance of a producer cost of production formula as the basis for fixing the price at all levels in the fluid milk industry; and exercising the authority to establish the maximum and/or minimum prices for milk sold to consumers when the Commission deems such controls necessary.

The Commission has maintained its extensive contact with officials and representatives of the Manitoba Milk Producers' Marketing Board, the Manitoba Milk Producers' Co-op Inc., Manitoba milk processors and independent distributors, the Manitoba Dairy Association, Manitoba retailers, the Canadian Federation of Independent Grocers and the Consumers' Association of Canada, Manitoba Branch. Wide-ranging contacts were established and maintained with similar authorities and agencies in other jurisdictions. Resulting discussions have enabled the Commission to increase its understanding of the fluid milk industry and to receive valuable advice and suggestions relating to the discharge of its responsi-

bilities. Future contact with these and other industry representatives are viewed as vital by the Commission.

PROCESSOR, DISTRIBUTOR AND RETAILER MATTERS

1. PRICE CONTROL SYSTEM REVIEW

At the time of the last price change (February, 1985), executed during the previous reporting year, the Commission gave notice that a review would be conducted during 1985 to analyze the effects of the milk price control system on processor, distributor and retail operations and margins. If justified by the trade, further price adjustments would be considered at that time.

Requests for what would be the first formal review of the control system since its inception in mid-1984 were received from three of the six Manitoba processors and one retailer organization. The Commission in turn solicited input from all sectors of the fluid milk industry. Written submissions were supplemented by individual meetings with trade representatives on June 5 and 6, 1985. In total, the Commission considered representations from five fluid milk processors, two groups of independent distributors and five retailer companies, organizations or individuals.

Current operating margins were examined as were changes in costs associated with processing, distributing and retailing fluid milk. Certain information gaps were identified and additional input was requested and received subsequent to the initial meetings with the trade.

As a result of the control system review, the Commission in conjunction with the Fluid Milk Commission announced the following changes to the system which came into effect on September 16, 1985:

- The maximum wholesale price of homogenized milk was increased by two cents per litre to address in part the extra butterfat cost in homogenized versus 2% milk.
- The maximum wholesale price of white and chocolate 2% milk was increased by one cent per litre.
- The maximum wholesale price of skim milk was not changed while the price of buttermilk was deregulated at both wholesale and retail levels.
- In designated areas, the maximum and minimum retail prices were increased by one cent per litre above the approved wholesale prices.
- To deal with cost increases related to milk distribution in rural Manitoba, wholesale and retail prices were increased by an additional one

cent per litre for areas more than 20 kilometres from a designated area.

- The maximum wholesale discount allowed to retailers, etc. was reduced from 10 to 9 cents per litre because discounts of the previous magnitude were judged to be overstated and unwarranted.
- Independent distributor wholesale (or purchase) prices were unchanged from previous minimum levels and were fixed at those levels by regulation.
- To reflect the labour-intensive nature of the distribution of 250 ml and 500 ml cartons, wholesale and retail price calculations, relative to the one litre price, were increased to +34 and +12 cents, respectively. (For more detail on the changes made to the control system please refer to Manitoba Regulations 203/85, 204/85 and 205/85 included in Section III of this report.)

2. LOSS OF A DESIGNATED AREA

Effective August 12, 1985, the Commission dropped the town of Dauphin as a designated area within the milk price control system. Designated areas are locations at which fluid milk processing plants are located. Furthermore, prices in the currently designated areas of Winnipeg, Selkirk, Brandon and Winkler are the base prices of the system to which set transportation charges are added to

calculate retail and wholesale prices across rural Manitoba.

The deletion of Dauphin as a designated area of the control system was necessitated when the local processor in that location ceased all fluid milk processing as of August 1, 1985. Prices in the Northwest Region of Manitoba (Dauphin - Roblin - Swan River area) were therefore adjusted basis the distance from Brandon which became the location of the nearest fluid plants to that Region.

Retail and wholesale prices in the rest of Manitoba were not affected by the removal of this designated area from the control system. (For more detail on the resulting changes to the control system please refer to Manitoba Regulations 170/85 and 171/85 included in Section III of this report.)

3. SASKATCHEWAN BORDER PRICING AGREEMENT

In April, 1985, responding to complaints from retailers and suppliers in the Swan River Valley area that a Saskatchewan-based processor was selling milk at less than the regulated wholesale prices stipulated by the system for that area, the Commission decided to take action to rectify the problem. Recognizing the fact that

no provincial agency has the authority to regulate the interprovincial movement of fluid milk (that authority rests with the Federal Government), the Commission proceeded in an informal manner to protect the interests of Manitoba producers and processors vis-a-vis the sale of Saskatchewan milk in Manitoba.

The Commission consulted with the Saskatchewan Milk Control Board and the Regina-based processor involved in an attempt to have the regulated prices in the Swan River Valley adhered to by all processors selling fluid milk in the area.

The Commission was pleased that in November, 1985 the three parties involved (two local processors plus the Saskatchewan processor) entered into an informal agreement whereby all agreed that when selling milk in each other's jurisdiction, all existing provincial milk price controls and regulations would be adhered to.

4. ROTATION OF INSTITUTIONAL DAIRY CONTRACTS

It has been the practice in provincial jurisdictions in which milk prices are controlled to have government institutions fill their dairy product requirements equitably from all processors, usually on a rotational basis.

Typically, institutional contracts are comprised primarily of fluid milk requirements, the price of which is controlled and dependent solely upon volumes purchased.

The Commission consulted with the Purchasing Branch of the Manitoba Department of Government Services with the goal of eliminating the cost-increasing discounting on institutional dairy contracts which had contributed to industry destabilization and threatened the financial viability of the smaller processors.

As of July 1, 1985, a system of institutional dairy contract rotation was instituted by the Purchasing Branch which has proven satisfactory to both customers and suppliers and has significantly reduced contract administration cost.

PRODUCER MATTERS

The fluid milk price paid to Manitoba producers was not adjusted during 1985-86. While input costs did vary during the reporting year, the price variation, as indicated by regular monthly updates of the cost of production formula, did not exceed the 2 percent level which signals changes in the price paid producers as per Section 3(3) of The Milk Prices Review Act.

In July, 1985, the Commission improved its ability to conduct the regular monthly formula updates by transferring the updating procedure to an I.B.M. personal computer, the services of which are provided on a continual basis by Manitoba Agriculture.

Also during the reporting year, the Commission continued to act in an advisory capacity to the Manitoba Milk Producers' Marketing Board in its endeavours pertaining to its cost of milk production study. Suggestions on the conceptual framework of the study, as solicited by the Board, were provided as were comments on the initial data resulting from the study which was initiated in 1984. The Commission continues to support the efforts of the Board in this area, especially in regards to the benefits provided by the study to Manitoba producers as a record-keeping and decision-making guide.

FUTURE ACTIVITIES

Subsequent to the review of processing and retailing margins which culminated in the price and other control system adjustments of September, 1985, the Commission fully intends to monitor, on an ongoing basis, the impact of those adjustments on the industry at large. To assist in this endeavour, especially in the area of processing margins, the Commission has planned a thorough review of

the methodology and format of the Annual Processor Returns which must be filed regularly by all Manitoba processors. The Returns are considered a valuable aid to the Commission in its ongoing assessment of the state of affairs in Manitoba's fluid milk processing sector.

The Commission is also cognizant that the current producer cost of production formula is slightly more than two years old. Therefore, a review of the formula's methodology and assumptions is planned for 1986-87 to ensure that the formula continues to be representative of current dairying principles and practises as employed by Manitoba's producers.

If one could sum up the Commission's goals using only one word, that word would be "stability" - a notion not unfamiliar in the area of regulated commodities. In all deliberations, the Commission has emphasized the notion of fair play - that is, ensuring that milk prices reflect legitimate costs plus a fair rate of return. The Commission remains convinced that if fairness is exercised in all dealings with the fluid industry, then the Commission's chances of fulfilling its mandate will be greatly enhanced. That legislated mandate includes the maintenance of a steady supply of fluid milk to the consuming public at reasonable prices for all concerned.

INTERNAL MATTERS

The Manitoba Milk Prices Review Commission met nine times during the reporting year in the course of performing its duties. The Manitoba Fluid Milk Commission, established by Manitoba Regulation 35/84 on March 1, 1984 under the Natural Products Marketing Act, met seven times during 1985-86. The setting of minimum and maximum wholesale prices for fluid milk is the primary responsibility of that Commission, which is comprised of the same membership as the Manitoba Milk Prices Review Commission.

The Commission's daily activities were performed by Adrian W. Strutinsky, serving as Executive Secretary. Jessie R. Mamaril serves as the Commission's Secretary-Bookkeeper. The Commission's staff are provided by the Economics Branch, Manitoba Agriculture.

Effective June 10, 1985, the Commission retained Ms. Gail Mildren, Justice Division of the Provincial Attorney General's Department as legal counsel. The firm of Murray McClarty and Company continued to be retained as financial analysts. The audit of Commission finances was performed by the Provincial Auditor's Office.

Effective October 11, 1985, Mr. Charlie Moar of Leaf Rapids resigned from the Commission for personal reasons.

Also in October, 1985, the Commission relocated its office to Room 903, Norquay Building, 401 York Avenue, Winnipeg [telephone number (204) 945-4935].

Manitoba

Office of the Provincial Auditor

THE MANITOBA MILK PRICES REVIEW COMMISSION

Auditor's Report and Financial Statements
for the year ended March 31, 1986

Manitoba

THE MANITOBA MILK PRICES REVIEW COMMISSION

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A and B, of The Manitoba Milk Prices Review Commission for the fiscal year ended March 31, 1986. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Commission as at March 31, 1986 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

F. H. Jackson, C.A.,
Provincial Auditor.

September 15, 1986,
Winnipeg, Manitoba.

Exhibit A

THE MANITOBA MILK PRICES REVIEW COMMISSION

Balance Sheet
as at March 31, 1986
(with 1985 figures for comparison)

	1986	1985
ASSETS		
Current Assets:		
Cash	$ 8,380	$ 5,820
LIABILITIES AND UNEXPENDED FUNDS		
Current Liabilities:		
Accounts payable and accrued liabilities	$ 3,110	$ 2,304
Unexpended funds, Exhibit B	5,270	3,516
	$ 8,380	$ 5,820

THE MANITOBA MILK PRICES REVIEW COMMISSION

Statement of Income and Expenditure and Retained Earnings
for the year ended March 31, 1986
(with 1985 figures for comparison)

	1986	1985
Income:		
Grant from the Government of the Province of Manitoba	$ 44,102	$ 45,174
Interest income	244	257
Miscellaneous income	-	292
	44,346	45,723
Expenditure:		
Annual report	462	231
Commission - per diem and benefits	4,295	5,765
- travel and meetings	4,964	10,866
Office and postage	1,864	1,886
Professional fees	5,195	5,000
Salaries and benefits (Note 3)	22,659	21,804
Sundry	1,375	748
Telephone	1,778	1,786
	42,592	48,086
Income over (under) expenditure	1,754	(2,363)
Unexpended funds, beginning of the year	3,516	5,879
Unexpended funds, end of the year, Exhibit A	$ 5,270	$ 3,516

THE MANITOBA MILK PRICES REVIEW COMMISSION

Notes to Financial Statements

1. **Nature of the Commission**

The Milk Prices Review Act was enacted effective September 29, 1980. This Act established the Manitoba Milk Prices Review Commission to monitor prices of fluid milk, to set the price at which milk may be sold by a producer for use as fluid milk and, if necessary, to set maximum and/or minimum prices at which fluid milk may be sold to consumers.

2. **Accounting Policies**

a) The Commission uses the accrual basis of accounting.

b) Office equipment purchases are charged to operations in the year of acquisition.

3. **Services Provided by the Government of the Province at no Charge**

The Government of the Province of Manitoba provides the services of an Executive Secretary, office accommodations and other miscellaneous administrative services at no charge to the Commission.

4. The Manitoba Fluid Milk Commission

The Manitoba Fluid Milk Commission was established effective March 1, 1984 by regulation under the Natural Products Marketing Act. The Manitoba Fluid Milk Commission may set maximum and/or minimum or fixed prices at which fluid milk may be sold by a distributor or processor. The members of the Manitoba Fluid Milk Commission are also members of the Manitoba Milk Prices Review Commission. Administrative services for the Manitoba Fluid Milk Commission are provided by staff of the Manitoba Milk Prices Review Commission and the Government of the Province of Manitoba without charge.

Manitoba Regulation 170/85

Being

ORDER NO. 2/85 OF THE MANITOBA FLUID MILK COMMISSION

Made Pursuant to The Manitoba Fluid Milk Marketing Plan, Being Manitoba Regulation No. 45/84 Enacted Pursuant to ***The Natural Products Marketing Act****, to Regulate the Wholesale Marketing of Fluid Milk in Manitoba by Amending Order No. 3/84 and Manitoba Regulation 167/84*

(Filed August 8, 1985)

1. The Manitoba Fluid Milk Commission hereby amends Order No. 3/84 of this Commission, being Manitoba Regulation No. 167/84, as follows:

(a) by repealing subsection (e) of section 3 thereof, deleting the area comprised by the boundaries of the Town of Dauphin as a designated area.

(b) by repealing Schedule IV thereto and substituting therefor Schedule I to this order, establishing the amounts of the rural transportation differentials applicable to sales of Class I Milk for delivery outside any designated area.

2. This order shall come into force on the 12th day of August, A.D. 1985, or on the day it is filed with the Registrar of Regulations, whichever is the later.

The Manitoba Fluid Milk Commission Order No. 2/85, made and passed this 8th day of August, 1985, at the City of Winnipeg, in the Province of Manitoba, by the Manitoba Fluid Milk Commission.

THE MANITOBA FLUID MILK COMMISSION

per _____ *"Ray Matheson"*
Ray Matheson, Vice-Chairman

This is Exhibit "A" to the Certificate of Ray Matheson dated the 8th day of August, A.D. 1985.

per _____ *"Adrian Strutinsky"*
Adrian Strutinsky, Secretary

(S E A L)

_____ *"Ray Matheson"*
Vice-Chairman,
The Manitoba Fluid Milk Commission

(S E A L)

Schedule I

RURAL TRANSPORTATION DIFFERENTIALS (NON-CUMULATIVE)

1. **TRANSPORTATION DIFFERENTIALS FOR DISTANCES UP TO AND INCLUDING 200 KILOMETERS FROM DESIGNATED AREAS:**

The following applies with respect to all designated areas:

Distance from nearest area	**Differential**
20 kilometers or less	1 cent
over 20 kilometers, up to and including 50 kilometers	2 cents
over 50 kilometers, up to and including 80 kilometers	3 cents
over 80 kilometers, up to and including 110 kilometers	4 cents
over 110 kilometers, up to and including 140 kilometers	5 cents
over 140 kilometers, up to and including 170 kilometers	6 cents
over 170 kilometers, up to and including 200 kilometers	7 cents

2. **TRANSPORTATION DIFFERENTIAL FOR DISTANCES EXCEEDING 200 KILOMETERS FROM DESIGNATED AREAS**

(1) Where the nearest designated area is the area consisting of the territory comprised by the boundaries of the City of Winnipeg or the area consisting of the territory comprised by the boundaries of the Town of Selkirk, the following applies:

Distance from nearest area	**Differential**
over 200 kilometers, up to and including 230 kilometers	7 cents
over 230 kilometers	Such amount as the Commission may approve

(2) Where the nearest designated area is the area comprised by the boundaries of the City of Brandon, the following applies:

Distance from Brandon	**Differential**
over 200 kilometers, up to and including 350 kilometers	7 cents
over 350 kilometers	Such amount as the Commission may approve

(3) Where the nearest designated area is the area consisting of the territory comprised by the boundary of the Town of Winkler, the following applies:

Distance from Winkler	**Differential**
over 200 kilometers	Such amount as the Commission may approve

Manitoba Regulation 171/85

Being

ORDER NO. 4/85 OF THE MANITOBA MILK PRICES REVIEW COMMISSION

Made Pursuant to The Milk Prices Review Act to Regulate the Prices at Which Fluid Milk May be Sold to Consumers in Manitoba by Amending Order No. 3/84 and Manitoba Regulation 168/84

(Filed August 8, 1985)

1. The Manitoba Milk Prices Review Commission hereby amends Order No. 3/84 of this Commission, being Manitoba Regulation No. 168/84, as follows:

(a) by repealing subsection (e) of section 3 thereof, deleting the area comprised by the boundaries of the Town of Dauphin as a designated area.

(b) by repealing Schedule II thereto and substituting therefor Schedule I to this order, establishing the amounts of the rural transportation differentials applicable to sales of Class I Milk by any person to a consumer outside any designated area.

2. This order shall come into force on the 12th day of August, A.D. 1985, or on the day it is filed with the Registrar of Regulations, whichever is the later.

The Manitoba Milk Price Review Commission Order No. 4/85, made and passed this 8th day of August, 1985, at the City of Winnipeg, in the Province of Manitoba, by the Manitoba Milk Prices Review Commission.

THE MANITOBA MILK PRICES
REVIEW COMMISSION

per *"Ray Matheson"*
Ray Matheson, Vice-Chairman

This is Exhibit "A" to
the Certificate of Ray
Matheson dated the 8th day
of August, A.D. 1985.

per *"Adrian Strutinsky"*
Adrian Strutinsky, Secretary

(S E A L)

"Ray Matheson"
Vice-Chairman,
The Manitoba Milk Prices
Review Commission

(S E A L)

Schedule I

RURAL TRANSPORTATION DIFFERENTIALS (NON-CUMULATIVE)

1. **TRANSPORTATION DIFFERENTIALS FOR DISTANCES UP TO AND INCLUDING 200 KILOMETERS FROM DESIGNATED AREAS:**

The following applies with respect to all designated areas:

Distance from nearest area	Differential
20 kilometers or less	1 cent
over 20 kilometers, up to and including 50 kilometers	2 cents
over 50 kilometers, up to and including 80 kilometers	3 cents
over 80 kilometers, up to and including 110 kilometers	4 cents
over 110 kilometers, up to and including 140 kilometers	5 cents
over 140 kilometers, up to and including 170 kilometers	6 cents
over 170 kilometers, up to and including 200 kilometers	7 cents

2. **TRANSPORTATION DIFFERENTIAL FOR DISTANCES EXCEEDING 200 KILOMETERS FROM DESIGNATED AREAS**

(1) Where the nearest designated area is the area consisting of the territory comprised by the boundaries of the City of Winnipeg or the area consisting of the territory comprised by the boundaries of the Town of Selkirk, the following applies:

Distance from nearest area	Differential
over 200 kilometers, up to and including 230 kilometers	7 cents
over 230 kilometers	Such amount as the Commission may approve

(2) Where the nearest designated area is the area comprised by the boundaries of the City of Brandon, the following applies:

Distance from Brandon	Differential
over 200 kilometers, up to and including 350 kilometers	7 cents
over 350 kilometers	Such amount as the Commission may approve

(3) Where the nearest designated area is the area consisting of the territory comprised by the boundary of the Town of Winkler, the following applies:

Distance from Winkler	Differential
over 200 kilometers	Such amount as the Commission may approve

Manitoba Regulation 203/85

Being

ORDER NO. 3/85 OF THE MANITOBA FLUID MILK COMMISSION

Made Pursuant to The Manitoba Fluid Milk Marketing Plan, Being Manitoba Regulation No. 35/84, Enacted Pursuant to ***The Natural Products Marketing Act****, to Regulate the Wholesale Marketing of Fluid Milk in Manitoba by Repealing and Replacing Order No. 3/84 (Being Manitoba Regulation No. 167/84), Order No. 1/85 (Being Manitoba Regulation No. 32/85) and Order No. 2/85 (Being Manitoba Regulation No. 170/85)*

(Filed September 12, 1985)

The Manitoba Fluid Milk Commission hereby orders as follows:

1. In this Order:
   (a) "Area" means an area designated pursuant to section 5 herein;
   (b) "Class I milk" means the following kinds of fluid milk: homogenized milk, 2% milk, skim milk and 2% chocolate milk, and excludes
      (i) buttermilk and
      (ii) milk that is purchased and used solely for the purpose of manufacturing butter, cheese, or cream;
   (c) "Jobber" means a person or corporation that buys fluid milk from a manufacturer or processor and sells the fluid milk to retailers and to consumers by home delivery;
   (d) "Retailer" means a person or corporation that sells milk to consumers for consumption on the premises where the milk is sold or elsewhere;
   (e) "Retail Store" means a store in which fluid milk is offered for sale to consumers for consumption;
   (f) "The Plan" means The Manitoba Fluid Milk Marketing Plan (Manitoba Regulation No. 35/84 as amended by Manitoba Regulation No. 164/84);
   (g) Other words have the same meaning as in The Plan.

2. Unless otherwise specifically provided herein, this order applies to
   (a) every kind, grade, quality and quantity Class I milk and
   (b) every manufacturer, processor and jobber in Manitoba who produces, supplies, distributes, sells or purchases Class I milk.

3. (a) The Commission hereby establishes as the sizes of containers in which Class I milk shall be sold by a manufacturer, processor or jobber the sizes of containers referred to in Schedule I of this order.
   (b) Except with the prior written permission of the Commission, no manufacturer, processor or jobber shall sell Class I milk to a jobber or retailer in a container that is not of a size established by subsection (a) of this section.

4. Every manufacturer, processor or jobber shall
   (a) keep a monthly record of all Class I milk sold or disposed of by it in that month, except milk sold by home delivery, with particulars of each sale, and
   (b) shall complete and forward to the Commission on or before the 7th day of each month a statement of the total sales of Class I milk, except milk sold by home delivery, made by it in the preceding month, stating the names of the purchasers and the amounts purchased by each purchaser for sale at a retail store and the address of that retail store.

5. The Commission hereby designates the following as areas in Manitoba for the purposes of this order:

   (a) The area within the boundaries of the City of Winnipeg (to be called "the Winnipeg area");

   (b) The area within the boundaries of the Town of Selkirk (to be called "the Selkirk area");

   (c) The area within the boundaries of the Town of Winkler (to be called "the Winkler area");

   (d) The area within the boundaries of the City of Brandon (to be called "the Brandon area").

6. The Commission hereby establishes the minimum prices and the maximum prices set out in Schedule I to this order as the minimum and maximum prices at which Class I milk shall be sold in any area by a manufacturer, processor or jobber to a retailer or any other purchaser, other than a jobber.

7. The Commission hereby establishes the following as the prices at which Class I milk shall be sold in any area by a manufacturer, processor or jobber to a retailer in any month where the retailer has, in the last preceding month, purchased Class I milk for sale at a retail store from a manufacturer, processor or jobber in Manitoba:

   (a) where the Commission determines that the total amount of Class I milk purchased by the retailer in the last preceding month for sale at a retail store totals 1600 litres or less, the Maximum Wholesale Prices set out in Schedule I are the applicable prices;

   (b) where the Commission determines that the amount of Class I milk purchased by the retailer in the last preceding month for sale at a retail store exceeds 1600 litres, the prices in Schedule II are the applicable prices.

8. The Commission hereby establishes the prices set out in Schedule III to this order as the prices at which Class I milk shall be sold in any area by a manufacturer or processor to a jobber.

9. The Commission hereby establishes the amounts set out in Schedule IV to this order as the rural transportation differentials applicable to sales of Class I milk for delivery outside any area.

10. Where Class I milk is sold outside any area:

   (a) the Commission hereby orders that the minimum and maximum prices at which Class I milk shall be sold to a retailer or any purchaser, other than a jobber, shall be the maximum and minimum prices established pursuant to Sections 6 or 7 (as appropriate) increased by the applicable rural transportation differential; and

   (b) the Commission hereby orders that the prices at which Class I milk shall be sold to a jobber shall be the prices established pursuant to Section 8 increased by the applicable rural transportation differential.

11. Except with prior approval in writing by the Commission, no manufacturer, processor or jobber shall sell Class I milk to a retailer, jobber or other purchaser at any price other than the applicable price established by this order or, where minimum and maximum prices have been established, at a price which is in excess of the applicable maximum price or less than the applicable minimum price established by this order.

12. The following orders of the Commission are repealed:

(a) Order No. 3/84 (being Manitoba Regulation No. 167/84);

(b) Order No. 1/85 (being Manitoba Regulation No. 32/85); and

(c) Order No. 2/85 (being Manitoba Regulation No. 170/85).

13. This order shall come into force on the 16th day of September, A.D. 1985, or on the day on which it is filed with the Registrar of Regulations, whichever is the later.

The Manitoba Fluid Milk Commission Order No. 3/85 made and passed this 12th day of September, A.D. 1985, at the City of Winnipeg, in the Province of Manitoba, by The Manitoba Fluid Milk Commission.

THE MANITOBA FLUID MILK COMMISSION

per *"Paul Phillips"*
Paul Phillips, Chairman

This is Exhibit "A" to the Certificate of Paul Phillips dated the 12th day of September, A.D. 1985.

per *"Adrian Strutinsky"*
Adrian Strutinsky, Secretary

(S E A L)

"Paul Phillips"
Chairman
The Manitoba Fluid Milk Commission

(S E A L)

SCHEDULE I

Container Sizes	250 ml	500 ml	1L	2L	4L	20L
MAXIMUM WHOLESALE PRICES						
Homogenized milk	.295	.49	.86	1.70	3.34	17.35
2% milk	.29	.475	.83	1.64	3.22	16.75
Skim milk	.27	.445	.77	1.52	2.98	15.55
Chocolate milk 2%	.32	.545	.97	1.92	3.78	19.55
MINIMUM WHOLESALE PRICES						
Homogenized milk	.27	.445	.77	1.52	2.98	15.55
2%	.265	.43	.74	1.46	2.86	14.95
Skim milk	.25	.40	.68	1.34	2.62	13.75
Chocolate milk 2%	.30	.50	.88	1.74	3.42	17.75

SCHEDULE II

(a) Total purchases in the preceding month exceed 1600 litres and are 3200 litres or less

	250 ml	500 ml	1L	2L	4L	20L
Homogenized milk	.29	.485	.85	1.68	3.30	17.15
2% milk	.285	.47	.82	1.62	3.18	16.55
Skim milk	.27	.44	.76	1.50	2.94	15.35
Chocolate milk 2%	.32	.54	.96	1.90	3.74	19.35

(b) Total purchases in the preceding month exceed 3200 litres and are 4800 litres or less

Homogenized milk	.29	.48	.84	1.60	3.26	16.95
2% milk	.28	.465	.81	1.60	3.14	16.35
Skim milk	.27	.435	.75	1.48	2.90	15.15
Chocolate milk 2%	.32	.535	.95	1.88	3.70	19.15

(c) Total purchases in the preceding month exceed 4800 litres and are 6400 litres or less

Homogenized milk	.29	.475	.83	1.64	3.22	16.75
2% milk	.28	.46	.80	1.58	3.10	16.15
Skim milk	.265	.43	.74	1.46	2.86	14.95
Chocolate milk 2%	.315	.53	.94	1.86	3.66	18.95

(d) Total purchases in the preceding month exceed 6400 litres and are 8000 litres or less

Homogenized milk	.285	.47	.82	1.62	3.18	16.55
2% milk	.28	.455	.79	1.56	3.06	15.95
Skim milk	.26	.425	.73	1.44	2.82	14.75
Chocolate milk 2%	.31	.525	.93	1.84	3.62	18.75

(e) Total purchases in the preceding month exceed 8000 litres and are 12000 litres or less

Homogenized milk	.28	.465	.81	1.60	3.14	16.35
2% milk	.275	.45	.78	1.54	3.02	15.75
Skim milk	.26	.42	.72	1.42	2.78	14.55
Chocolate milk 2%	.31	.52	.92	1.82	3.58	18.55

(f) Total purchases in the preceding month exceed 12000 litres and are 16000 litres or less

Homogenized milk	.28	.46	.80	1.58	3.10	16.15
2% milk	.27	.445	.77	1.52	2.98	15.55
Skim milk	.26	.415	.71	1.40	2.74	14.35
Chocolate milk 2%	.31	.515	.91	1.80	3.54	18.35

(g) Total purchases in the preceding month exceed 16000 litres and are 20000 litres or less

Homogenized milk	.28	.455	.79	1.56	3.00	15.95
2% milk	.27	.44	.76	1.50	2.94	15.35
Skim milk	.255	.41	.70	1.38	2.70	14.15
Chocolate milk 2%	.305	.51	.90	1.78	3.50	18.15

(h) Total purchases in the preceding month exceed 20000 litres and are 28000 litres or less

Homogenized milk	.275	.45	.78	1.54	3.02	15.75
2% milk	.27	.435	.75	1.48	2.90	15.15
Skim milk	.25	.405	.69	1.36	2.66	13.95
Chocolate milk 2%	.30	.505	.89	1.76	3.46	17.95

(i) Total purchases in the preceding month 28000 litres

Homogenized milk	.27	.445	.77	1.52	2.98	15.55
2% milk	.265	.43	.74	1.46	2.86	14.95
Skim milk	.25	.40	.68	1.34	2.62	13.75
Chocolate milk 2%	.30	.50	.88	1.74	3.42	17.75

SCHEDULE III

WHOLESALE PRICES FOR SALES TO JOBBERS

Container Sizes	250 ml	500 ml	1L	2L	4L	20L
Homogenized Milk	.235	.40	.71	1.40	2.74	14.35
2% milk	.23	.385	.68	1.34	2.62	13.75
Skim milk	.21	.355	.62	1.22	2.38	12.55
Chocolate milk 2%	.26	.455	.82	1.62	3.18	16.55

SCHEDULE IV

RURAL TRANSPORTATION DIFFERENTIALS (NON-CUMULATIVE)

1. TRANSPORTATION DIFFERENTIALS FOR DISTANCES UP TO AND INCLUDING 200 KILOMETERS FROM DESIGNATED AREAS:

The following applies with respect to all designated areas:

Distance from nearest area	Differential
20 kilometers or less	1 cent
over 20 kilometers, up to & including 50 kilometers	3 cents
over 50 kilometers, up to & including 80 kilometers	4 cents
over 80 kilometers, up to & including 110 kilometers	5 cents
over 110 kilometers, up to & including 140 kilometers	6 cents
over 140 kilometers, up to & including 170 kilometers	7 cents
over 170 kilometers, up to & including 200 kilometers	8 cents

2. TRANSPORTATION DIFFERENTIAL FOR DISTANCES EXCEEDING 200 KILOMETERS FROM DESIGNATED AREAS

(1) Where the nearest designated area is the Winnipeg area or the Selkirk area, the following applies:

Distance from nearest area	
over 200 kilometers, up to & including 230 kilometers	8 cents
over 230 kilometers	Such amount as the Commission may approve

(2) Where the nearest designated area is the Brandon area, the following applies:

Distance from Brandon area	Differential
over 200 kilometers, up to & including 350 kilometers	8 cents
over 350 kilometers	Such amount as the Commission may approve

(3) Where the nearest designated area is the Winkler area, the following applies:

Distance from Winkler area	Differential
over 200 kilometers	Such amount as the Commission may approve

Manitoba Regulation 204/85

Being

ORDER NO. 5/85 OF THE MANITOBA MILK PRICES REVIEW COMMISSION

Made Pursuant to The Milk Prices Review Act to Establish Minimum and Maximum Retail Prices at Which Class I Milk, Excepting Buttermilk, may be Sold to Consumers in any Area in Manitoba by Repealing Schedule I of Order No. 2/85, Being Manitoba Regulation No. 34/85 and Substituting Therefor Schedule I to This Order

(Filed September 12, 1985)

ORDER

1. The Manitoba Milk Prices Review Commission hereby repeals Schedule I to Order No. 2/85 of this Commission, being Manitoba Regulation No. 34/85, and substitutes therefor Schedule I to this order, establishing minimum and maximum retail prices at which Class I milk, excepting buttermilk, may be sold to consumers in any area in Manitoba.

2. The Commission hereby orders that the retail price at which buttermilk is sold to consumers in Manitoba will not be regulated by the Commission until further order.

3. This order shall come into force on the 16th day of September, 1985, or on the day it is filed with the Registrar of Regulations, whichever is later.

The Manitoba Milk Prices Review Commission Order No. 5/85 made and passed this 12th day of September, A.D. 1985, at the City of Winnipeg, in Manitoba, by The Manitoba Milk Prices Review Commission.

THE MANITOBA MILK PRICES
REVIEW COMMISSION

per *"Paul Phillips"*
Paul Phillips, Chairman

This is Exhibit "A" to the
Certificate of Paul Phillips
dated the 12th day of
September, A.D. 1985.

per *"Adrian Strutinsky"*
Adrian Strutinsky, Secretary

(S E A L)

"Paul Phillips"
Chairman
The Manitoba Milk Prices
Review Commission

(S E A L)

SCHEDULE I

MINIMUM RETAIL PRICES FOR CLASS I MILK (excepting buttermilk)

	250 ml	500 ml	1L	2L	4L	20L
Homogenized milk	.30	.50	.89	1.76	3.46	17.95
2% milk	.29	.49	.86	1.70	3.34	17.35
Skim milk	.28	.46	.80	1.58	3.10	16.15
Chocolate milk 2%	.33	.56	1.00	1.98	3.90	20.15

MAXIMUM RETAIL PRICES FOR CLASS I MILK (excepting buttermilk)

Homogenized milk	.32	.53	.95	1.88	3.70	19.15
2% milk	.31	.52	.92	1.82	3.58	18.55
Skim milk	.29	.49	.86	1.70	3.34	17.35
Chocolate milk 2%	.34	.59	1.06	2.10	4.14.	21.35

Manitoba Regulation 205/85

Being

ORDER NO. 6/85 OF THE MANITOBA MILK PRICES REVIEW COMMISSION

Made Pursuant to The Milk Prices Review Act to Regulate the Prices at Which Fluid Milk may be Sold to Consumers in Manitoba by Repealing Schedule I of Order No. 4/85, Being Manitoba Regulation No. 171/85, and Substituting Therefor Schedule I to This Order

(Filed September 12, 1985)

1. The Manitoba Milk Prices Review Commission hereby repeals Schedule I of Order No. 4/85 of this Commission, being Manitoba Regulation No. 171/85 and substitutes therefor Schedule I to this order, establishing the amounts of the rural transportation differentials applicable to sales of Class I milk, excepting buttermilk, by any person to a consumer outside any designated area.

2. The Commission hereby orders that the rural transportation differentials established by Schedule I to this order do not apply to buttermilk sold by any person to a consumer outside any designated area.

3. This order shall come into force on the 16th day of September, A.D. 1985, or on the day it is filed with the Registrar of Regulations, whichever is the later.

The Manitoba Milk Prices Review Commission Order No. 6/85, made and passed this 12th day of September, 1985, at the City of Winnipeg, in the Province of Manitoba, by The Manitoba Milk Prices Review Commission.

THE MANITOBA MILK PRICES
REVIEW COMMISSION

per *"Paul Phillips"*
Paul Phillips, Chairman

This is Exhibit "A" to the
Certificate of Paul Phillips
dated the 12th day of
September, A.D. 1985.

per *"Adrian Strutinsky"*
Adrian Strutinsky, Secretary

(S E A L)

"Paul Phillips"
Chairman
The Manitoba Milk Prices
Review Commission

(S E A L)

Schedule I

RURAL TRANSPORTATION DIFFERENTIALS (NON-CUMULATIVE)

1. **Transportation Differentials for Distances up to and including 200 Kilometres from Designated Areas:**

   The following applies with respect to all designated areas:

Distance from nearest area	Differential
20 kilometres or less	1 cent
over 20 kilometres, up to & including 50 kilometres	3 cents
over 50 kilometres, up to & including 80 kilometres	4 cents
over 80 kilometres, up to & including 110 kilometres	5 cents
over 110 kilometres, up to & including 140 kilometres	6 cents
over 140 kilometres, up to & including 170 kilometres	7 cents
over 170 kilometres, up to & including 200 kilometres	8 cents

2. **Transportation Differentials for Distances exceeding 200 Kilometres from Designated Areas:**

   (1) Where the nearest designated area is the area consisting of the territory comprised by the boundaries of the City of Winnipeg or the area consisting of the territory comprised by the boundaries of the Town of Selkirk, the following applies:

Distance from nearest area	Differential
over 200 kilometres, up to & including 230 kilometres	8 cents
over 230 kilometres	Such amount as the Commission may approve.

(2) Where the nearest designated area is the area comprised by the boundaries of the City of Brandon, the following applies:

Distance from Brandon	Differential
over 200 kilometrs, up to & including 350 kilometres	8 cents
over 350 kilometres	Such amount as the Commission may approve

(3) Where the nearest desighated area is the area consisting of the territory comprised by the boundaries of the Town of Winkler, the following applies:

Distance from Winkler	Differential
over 200 kilometres	Such amount as the Commission may approve.